

Revision: HCFA-PM-91-4 (BPD)
AUGUST 1991

SUPPLEMENT 8b to ATTACHMENT 2.6-A
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OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: INDIANA

MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT

☒ Section 1902(f) State ☐ Non-Section 1902(f) State

I. CONSIDERATION OF REAL PROPERTY AND LIFE INTEREST IN REAL PROPERTY
(8-1-89; SPA 89-3)

Eligibility groups covered:

Aged, Blind, Disabled - Section 1902(f) of the Social Security Act,
42 CFR 435.121

Qualified Medicare Beneficiary - Section 1902(A)(10)(E) of the Social
Security Act

Specified Low-Income Medicare Beneficiary - Section 1902(a)(10)(E)(iii)
and 1905(p)(3)(A)(ii) of the Social Security Act.

- A. Non-exempt real property (including equity value) which would otherwise render an applicant/recipient ineligible is excluded for eligibility purposes if the applicant/recipient signs an agreement to sell or rent property and offers the property for sale or rent at current market value within 30 days of notification of eligibility in the case of an applicant and 30 days from the signing of agreements by recipients.
- B. Income-producing property is exempt if the income is greater than the expenses of ownership.

TN No. 95-010
Supersedes
TN No. 91-22

Approval Date 6-12-95

Effective Date 4-1-95

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Indiana

II. CONSIDERATION OF RESOURCES INVESTED IN LONG TERM CARE INSURANCE

Eligibility Groups covered:

Aged and Disabled - Section 1902(f) of the Social Security Act, 42 CFR 435.121.

Qualified Medicare Beneficiary - Section 1902(a)(10)(E) of the Social Security Act

- A. A resource disregard in the amount specified in item B below is given to an individual who has purchased a qualified long term care insurance policy and has used such policy to pay for long term care services in a setting other than an acute care wing of a hospital.
- B. The amount of the disregard is equal to the following:
 - 1. For individuals who purchase qualified insurance policy benefits in an amount less than the "State set dollar amount" defined in item C below, the amount of the disregard is equal to the lesser of the following amounts:
 - a. the amount of payments made under the insurance policy; or
 - b. the actual charge for the long term care services.
 - 2. For individuals who purchase qualified insurance policy benefits in an amount equal to or more than the "State set dollar amount" defined in item C below, the amount of the disregard is equal to all of the individual's resources once the insurance policy benefits have been exhausted.
- C. The phrase "State set dollar amount" used in item B above is equal to \$140,000 in Calendar Year 1998 and increases by 5% compounded each calendar year, rounded to the nearest one dollar (i.e., year 1999 = \$147,000; year 2000 = \$154,350; year 2001 = \$162,068; year 2002 = \$170,171; year 2003 = \$178,680, etc.) In Indiana, \$140,000 equals approximately 3.7 years of nursing home care at the average daily private pay rate of \$103.00 per day (computed in 199).
- D. Such disregard is in effect for the lifetime of the individual.
- E. Resources disregarded under this provision are not subject to recovery of medical payments made on behalf of the individual.

TN No. 98-004

Supersedes..

TN No. 93-020

Approval Date 6-11-98

Effective Date 3/12/98

Revision: HCFA-PM-91-4 (BPD)
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State: INDIANA

MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902(r)(2) OF THE ACT

☒ Section 1902(f) State ☐ Non-Section 1902(f) State

III CONSIDERATION OF RESOURCE SPEND-DOWN

Eligibility group covered:

Aged, Blind, and Disabled - Section 1902(f) of the
Social Security Act; 42 CFR 435.121

Pursuant to the Indiana Supreme Court ruling in Indiana Department
of Public Welfare v. Hazen Payne, 622 N.E. 2d 461 (Ind. 1993),
eligibility using a resource spend-down provision is determined as
follows:

- A. An applicant/recipient is entitled to resource spend-down consideration, as explained in item B. below, if he/she is otherwise eligible except for ownership of excess resources, and is receiving Supplemental Security Income (SSI) or meets SSI income and resource eligibility requirements.
- B. If the criteria above are met, medical expenses not used to offset excess countable income are used to offset excess countable resources.

TN No. 94-016
Supersedes
TN No. 91-22

Approval Date

8/8/94

Effective Date 4-1-94

HCFA ID: 7985E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE INDIANA

Pursuant to a preliminary injunction issued in Cherry and Newkirk v. Magnant on June 7, 1990 by the U.S. District Court, Southern District of Indiana, Indianapolis Division, the eligibility of members of the certified plaintiff class as defined below is determined without consideration of the value of resources owned solely by the community spouse. Resources owned solely by the community spouse are exempt. The resource limitation for the institutionalized spouse is \$1500. Class members are the categorically needy group described in 42 CFR 435.121. The court order is specific to the policy of deeming spousal resources in situations involving individuals institutionalized prior to September 30, 1989 who have spouses living in the community. Therefore, the \$2250 resource limitation listed in Supplement 8 to Attachment 2.6-A is not applicable under the preliminary injunction in determining eligibility of members of the plaintiff class.

In the resource determination (including the initial month of institutionalization) SSI spousal deeming rules are used.

Certified Plaintiff Class

All married Medicaid applicants in the State of Indiana who have lived in a nursing home since before September 30, 1989 and who have been found ineligible for the Medicaid program because of resources owned by their spouses living at home.

(Eff. 4-1-90)

Beginning 11/1/94, the resources owned by the community spouse of individuals who have been continuously institutionalized since before September 30, 1989 are deemed available to the institutionalized spouse. The federal district court vacated the injunction and the Seventh Circuit Court of Appeals affirmed. (Cherry v. Sullivan, No. 93-3504, July 20, 1994.)

TN No. 94-033

Approval Date 1/17/95

Effective Date 11/1/94

Supersedes 91-22

TN No. _____